Saskmilk

UPDATE

November 15, 2011

NOTICE TO LICENSED MILK PRODUCERS

Permanent Quota Increase

SaskMilk is issuing a 0.75% permanent quota increase effective **January 1, 2012** due to a quota increase issued by the Canadian Dairy Commission and anticipated growth in the market. Producers should make plans to fill this additional quota allocation when it is issued.

GST ARREARAGE LINE ON PRODUCER STATEMENT

To be compliant with the GST ruling from the Canada Revenue Agency which requires SaskMilk to collect GST on haulage and the promotion levy, SaskMilk must collect the GST from producers dating back to October 1, 2010.

SaskMilk will be recouping GST arrearage in three equal monthly payments. For the next three months (October, November & December) producers will notice a line on their producer statement called GST Arrearage. The GST arrearage is being collected on haulage from October, 2010 to June, 2011 and SMMB Promotion/Admin levy from December, 2010 to May, 2011. October and November GST was deducted as those funds were remitted to Dairy Farmers of Saskatchewan and producers were charged the GST at that time.

Producers will be able to recoup the GST arrearage when filing their GST remittances.

DIRECTOR REPORT - FACS - DAVID ENTZ

Becoming SaskMilk's representative on the Farm Animal Council of Saskatchewan (FACS) board, has opened my eyes to the vital role of FACS. As the provincial producer-driven non-profit organization advancing responsible animal care, FACS educates both consumers and those working in the agriculture industry.

FACS activities range from participating in AgExperience, which taught more than 850 Grade 4 students, their teachers and parent chaperones at Prairieland Park during three days in October, to organizing the Stockperson's School, which will focus on sharing information related to cattle in 2012. In addition, FACS's interactive educational puppet show 'Where'd that come from?' ensures school children around the province know food comes from farms operated by caring producers, not the fridge.

I'm especially impressed with the 'We Care' billboard campaign. This year, images of Saskatchewan producers and ranchers dedicated to maintaining healthy, productive livestock and poultry farms reached even more people driving provincial roadways. The campaign was longer – from mid-May through November – and featured more billboard locations. These efforts depend on multi-commodity support, and SaskMilk was pleased to participate as a sponsor.

Making consumers aware of producers' commitment to responsible animal care 24/7 has become even more important with growing curiosity regarding food production. When commodities face this challenge and/or pressure from animal rights activists, FACS provides advice and ghost written information.

In 2011, FACS further enhanced its role by joining farm animal councils in Ontario, Alberta and British Columbia to support development of a national strategy to address the move of animal rights activists into Canada from the United States. To foster a collaborative effort, the consultation process involved commodity groups and such major food industry leaders as Tim Hortons, Maple Leaf, XL Foods, Burnbrae Farms and Cargill. An update regarding the resulting strategy will be provided at the FACS Annual General Meeting and 'Fence Lines to Corporate Board Rooms' conference, December 7 and 8, 2011 at the Saskatoon Inn.

I encourage dairy producers to attend both events to develop a greater understanding of FACS role and increase their knowledge of growing consumer interest and possible legislative changes resulting from public pressure. This year's prominent well-informed conference speakers represent: Tim Hortons; Cargill; the Harker Heights Texas Police Department; the California Farm Bureau Federation; and the Ontario Farm Animal Council. For further details and registration information check www.facs.sk.ca or call (306) 249-3227.

We all share responsibility for safe, healthy and humane animal welfare practices. FACS supports us by serving as the strong collective voice of Saskatchewan producers.

QUOTA EXCHANGE

There was no market-clearing price established for the November, 2011 Quota Exchange.

The next Quota Exchange will be held on December 15, 2011. All offers to sell and bids to purchase quota through the Quota Exchange must be received at the SaskMilk office by midnight, December 6, 2011. SaskMilk recommends that offers and bids be submitted well in advance of the deadline date to ensure adequate time for corrections, if necessary.

Just a reminder to producers that when making bids on the Quota Exchange, the price on offers to sell quota is the minimum price that the producer is prepared to accept for that quota. Only if the market-clearing price is equal to or greater than the producer's minimum price will that producer qualify for participation in the Exchange. Conversely, the price on offers to purchase quota is the maximum price that the producer is prepared to pay for that quota. Only if the market-clearing price is equal to or less than the producer's maximum price will that producer qualify for participation in the Exchange. The clearing price is set at the price where the smallest difference exists between the accumulated volume offered for sale and the accumulated volume bid to purchase.

The results of the Quota Exchange are outlined in the following Table.

NOVEMBER, 2011 QUOTA EXCHANGE RESULTS SUMMARY

Market Clearing Price per kilogram of butterfat	**$ -------**
Daily Kilograms offered to Purchase	**73.00**
Kilograms offered to Sell	**30.00**
Kilograms sold	**-------**
Number of Producers	
- offered to purchase	**5**
- purchased quota	**0**
- offered to sell	**1**
- sold quota	**0**

NOVEMBER, 2011 QUOTA EXCHANGE CLEARING PRICE RESULTS

Price ($/daily kg b.f.)	No. of Sellers	Cumulative Sellers	Daily Kgs b.f. offered for sale	Cumulative sales	Cumulative Sales less Cumulative purchases	Cumulative purchases	Daily Kgs b.f. offered to purchase	Cumulative Buyers	No. of buyers
27,740	0	0	0.00	0.00	-73.00	73.00	10.00	5	1
28,000	0	0	0.00	0.00	-63.00	63.00	35.00	4	2
28,500	0	0	0.00	0.00	-28.00	28.00	20.00	2	1
29,000	0	0	0.00	0.00	-8.00	8.00	8.00	1	1
29,500	1	1	30.00	30.00	30.00	0.00	0.00	0	0

TRANSFER CREDIT SUMMARY REPORT

MONTH	# OF PRODUCERS TRANSFER IN	# OF PRODUCERS TRANSFER OUT	TOTAL KGS BUTTERFAT
October	15	12	18,550
November	23	21	31,871
December	25	26	33,472
January/11	27	20	29,306
February	25	19	25,424
March	38	34	37,078
April	21	14	20,912
May	14	16	17,747
June	20	18	21,400
July	14	13	18,903
August	19	26	29,476
September	14	13	15,745
October	23	21	25,971

OVER QUOTA (OVER 10 DAYS) REPORT BY MONTH

MONTH	# OF PRODUCERS	KGS BUTTERFAT
October	1	2
November	2	615
December	1	307
January 2011	0	0
February	2	134
March	0	0
April	1	104
May	2	185
June	2	392
July	2	267
August	1	78
September	2	157
October	3	357

SUMMARY REPORT OF CREDITS October, 2011 – 180 PRODUCERS

DAYS	# OF PRODUCERS	POSITIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)
+10	3	1,018
+ 5 to +10	8	5,507
0 to + 5	19	4,233
TOTAL	30	10,758
DAYS	**# OF PRODUCERS**	**NEGATIVE CREDITS ACCUMULATED (KGS OF BUTTERFAT)**
-20	21	-38,850
-15 to -20	50	-153,107
-10 to -15	30	-67,162
-5 to -10	24	-18,807
0 to -5	25	-7,818
TOTAL	150	-285,744

LOST OPPORTUNITY REPORT

MONTH	# OF PRODUCERS	LOST OPPORTUNITY (KGS OF BUTTERFAT)
October	10	5,986
November	33	25,200
December	20	6,612
January, 2011	18	3,201
February	20	5,047
March	13	2,251
April	20	5,157
May	24	6,688
June	18	5,490
July	24	7,904
August	24	10,994
September	28	13,098
October	21	8,137

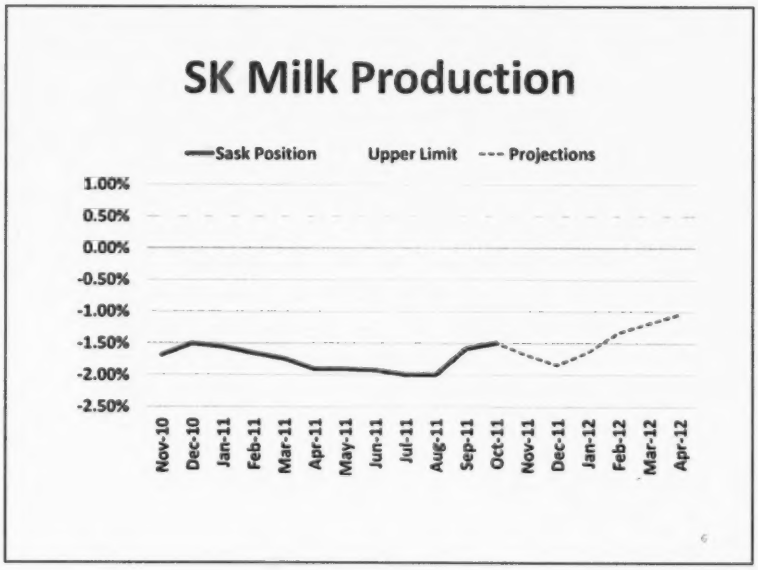
WEIGHTED AVERAGE COMPONENT TESTS & PRICES October, 2011

Components	Average Test	Price per kilogram Class 1 to 5
Butterfat	3.9482	$12.053123
Protein	3.4157	9.053123
Other Solids	5.6803	1.360923

Based on the average component tests for the province, the average price received was $86.2385 per hectolitre. **The average butterfat price received per kilogram was $21.83**

SASKATCHEWAN MILK POOL RESULTS October, 2011

Milk Sale Revenue	$ 14,750,262.15
Western Milk Pool	$ 1,977,731.95
Dairy Farmers of Canada Skim Off	$ - 18,225.64
Plant of Last Resort Service	$ - 56,022.84
Total Pool Value	**$ 16,653,745.62**



In October, Saskatchewan had a monthly CDC allocation of 774,172 **kilograms** of butterfat. In the month of October , Saskatchewan production was **-11,401 kilograms** of butterfat **under** and cumulatively **under** by **-134,267 kilograms** of butterfat. On a percentage basis, Saskatchewan is at **-1.50%** within our CDC allocation flexibility limits based on the Continuous Quota model. The -1.50% lower flexibility limit is in effect.

	(1) Monthly Total Production Kgs bf	(2) Total Monthly CDC Quota Allocation Kgs bf	(3) Monthly Over or (Under) Production Kgs bf col. 1 – 2 = 3	(4) Lower Flexibility Limit **(1.5%)** Kgs bf col. 9 * -1.5%	(5) Upper Flexibility Limit **1.0%** Kgs bf col. 9 *1.0%	(6) Cumulative Over or (Under) Production with limits Kgs bf	(7) Cumulative Over or (Under) Production with limits in - % col. 6 / 9	(8) Over Quota or (Lost Production Opportunity) Kgs bf	(9) Rolling 12 Month Total Quota Kgs bf
Oct-10	694,237	756,826	(62,589)	(129,614)	43,207	**(172,830)**	**-2.00%**	(62,458)	8,641,482
Nov-10	686,111	752,717	(66,606)	(130,059)	43,353	**(146,520)**	**-1.69%**	(92,915)	8,670,615
Dec-10	731,120	785,901	(54,781)	(130,400)	43,467	**(131,008)**	**-1.51%**	(70,294)	8,693,300
Jan-11	742,948	758,126	(15,178)	(130,878)	43,626	**(135,861)**	**-1.56%**	(10,324)	8,725,211
Feb-11	673,205	682,398	(9,193)	(131,181)	43,727	**(145,054)**	**-1.66%**	0	8,745,397
Mar-11	748,293	757,080	(8,787)	(175,333)	43,833	**(153,501)**	**-1.75%**	0	8,766,601
Apr-11	723,139	737,593	(14,454)	(175,933)	43,983	**(167,955)**	**-1.91%**	0	8,796,654
May-11	750,663	750,954	(291)	(176,510)	44,127	**(168,245)**	**-1.91%**	0	8,825,483
June-11	723,059	725,685	(2,626)	(177,134)	44,283	**(170,871)**	**-1.93%**	0	8,656,690
July-11	725,673	736,879	(11,206)	(177,781)	44,445	**(177,781)**	**-2.00%**	(4,296)	8,889,063
Aug-11	733,202	745,258	(12,056)	(178,343)	44,586	**(178,343)**	**-2.00%**	(11,494)	8,917,144
Sep-11	716,780	744,377	(27,597)	(178,676)	44,669	**(142,058)**	**-1.59%**	(63,882)	8,933,794
Oct-11	762,771	774,172	(11,401)	(134,267)	44,756	**(134,267)**	**-1.50%**	(19,192)	8,951,139

(1) Monthly Production in Saskatchewan
(2) Total Monthly Quota = Class 1 sales + Monthly MSQ + Carry Forward
(3) Difference between the monthly production (1) and the total monthly quota (2)
(4) The Lower Flexibility Limit is -1.5% of Rolling 12 Month Total Quota (9)
(5) The Upper Flexibility Limit is 1.0% of Rolling 12 Month Total Quota (9)
(6) Previous Month Cumulative Over or (Under) Production + Current Monthly Over or (Under) Production (capped at lower or upper limit if applicable)
(7) Equal to Column (6) expressed as a percentage basis within the flexibility limits
(8) Over Quota or (Lost production opportunity) outside of flexibility limits
(9) Total Monthly CDC Quota Allocation for the previous 12 months

QUOTA LISTING SERVICE

SaskMilk offers a free quota listing service as part of its Newsletter. Anyone wishing to sell or purchase quota and/or cows or miscellaneous dairy equipment is welcome to contact the SaskMilk office at (306) 949-6999. All prices and negotiations will be independent of SaskMilk. **Please note that ads will be posted in two issues and will then be removed unless SaskMilk is notified otherwise.**

Quota & Cows for Sale

- Quota for sale – 41.61 kilograms. Contact Brian Sperling at (306) 647-2728

Feed For Sale

- 2,000 Alfalfa bales for sale; relative feed value 111 to 128; protein level 14.9 to 17.3%. Contact Andrew Metz (306) 488-4809 home or (306) 638-7838 cell.

SASKMILK BOARD OF DIRECTORS

	PHONE	EMAIL
Blaine McLeod - Chair	(306) 756-2775	rb.mcleod@sasktel.net
Melvin Foth – Vice Chair	(306) 225-4678	fvl@sasktel.net
David Entz	(306) 741-0632	davidentz3662@gmail.com
Jack Ford	(306) 328-4700	jackford@sasktel.net
Jason Wildeboer	(306) 249-4358	skunkhollow@yourlink.ca
Isaac Klassen	(306) 249-4435	isaac00@sasktel.net
Jim Ross	(306) 697-2232	jimleeholsteins@sasktel.net
Juliann Lindenbach	(306) 771-2776	robella@sasktel.net
Sheldon Peifer	(306) 862-9470	dspeifer@sasktel.net

For further information, please contact the SaskMilk office.

444 McLeod Street
Regina, Saskatchewan S4N 4Y1
Website: www.saskmilk.ca

Telephone (306) 949-6999
Fax: (306) 949-2605
Email: info@saskmilk.ca